

**PROPOSED REGULATION OF THE
PUBLIC UTILITIES COMMISSION OF NEVADA**

LCB File No. R044-21

October 26, 2021

EXPLANATION – Matter in *italics* is new; matter in brackets ~~omitted material~~ is material to be omitted.

AUTHORITY: §§ 1 and 2, NRS 704.741.

A REGULATION relating to public utilities; revising the information required to be included in a resource plan submitted by an electric utility to the Public Utilities Commission of Nevada; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law requires an electric utility to submit to the Public Utilities Commission of Nevada, on or before June 1 of every third year, a resource plan to increase its supply of electricity or decrease the demands made on its system by customers. Existing law requires the Commission to prescribe the contents of the resource plan by regulation. (NRS 704.741) Existing regulations require a utility to include in its resource plan certain information regarding rates for long-term avoided costs. (NAC 704.9492) **Section 1** of this regulation revises the information regarding rates for long-term avoided costs which must be included in the resource plan. **Section 1** requires a utility to include in the resource plan the data from which avoided costs may be derived and, additionally, to submit such data to the Commission at least once every 2 years. **Section 1** requires the utility to maintain the data for public inspection.

Section 2 of this regulation makes a conforming change to eliminate a reference to provisions of NAC which were repealed by **section 1**.

Section 1. NAC 704.9492 is hereby amended to read as follows:

704.9492 1. A utility shall file, as part of its resource plan, the methodology for estimating the rates for long-term avoided cost of the utility, including the capacity and energy components. The rates for long-term avoided cost must be based upon the utility’s preferred plan and be consistent with 18 C.F.R. § 292.304(a), (b), (c) and (e).

2. The ~~estimated rate for long-term avoided cost must be established for various sizes of megawatt blocks, except that:~~

~~—(a) If the utility has a peak demand of at least 1,000 megawatts, the stated blocks must not exceed 100 megawatts; and~~

~~—(b) If the utility has a peak demand of less than 1,000 megawatts, the stated blocks must not exceed 10 percent of the system peak.~~

~~—3.—The components for estimated long-term avoided cost capacity and energy rate must be stated on a cents per kilowatt-hour basis for daily and seasonal peak and off-peak periods and in such a manner that rates for various contract periods may be calculated. At a minimum, the utility shall provide estimated rates for long-term avoided cost for a 20-year contract and the long-term avoided cost by year for 5 years commencing in the year following the filing of the resource plan.]~~ *utility shall file, as part of its resource plan, the data from which avoided costs may be derived, as required by 18 C.F.R. § 292.302(b). The utility shall maintain for public inspection the data submitted pursuant to this subsection. In addition to the data filed with the resource plan pursuant to this subsection, the data from which long-term avoided costs may be derived must be filed with the Commission at least once every 2 years.*

~~{4.}~~ **3.** In developing the estimated rates for long-term avoided cost, the proposed rates must not be applied to ~~{renewable energy or to}~~ energy that is subject to the qualified energy recovery process as defined in NRS 704.7809.

~~{5.}~~ **4.** The utility shall specify its proposed limits concerning the availability of the rates for long-term avoided cost.

~~{6.}~~ **5.** The resource plan of the utility must include the analyses and calculations used to determine the proposed rates.

~~17.1~~ 6. The resource plan must include a description of the methodology that will be used to derive the rates for long-term avoided costs from the solicitation of proposals performed pursuant to subsection 5 of NAC 704.9496.

Sec. 2. NAC 704.9496 is hereby amended to read as follows:

704.9496 1. In conjunction with the issuance by the Commission of a final order approving or modifying the action plan, the Commission will issue an order addressing the utility's proposed estimated rates for long-term avoided cost, including the methodology and limits to be used by the utility for its filing pursuant to NAC 704.9492. The Commission will consider the factors listed in 18 C.F.R. § 292.304(a), (b), (c) and (e) in its evaluation of the utility's proposed estimated rates for long-term avoided cost.

2. The utility shall file with the Commission the utility's estimated rates for long-term avoided cost within 60 days after the Commission issues its order pursuant to subsection 1 specifying the methodology for estimating the rates for long-term avoided cost.

3. The estimated rates for long-term avoided cost filed by the utility with the Commission pursuant to subsection 2 must:

(a) Be consistent with the methodology for estimating the long-term avoided cost approved by the Commission and be based upon the resource plan approved by the Commission.

(b) Unless otherwise ordered by the Commission, ~~be consistent with the format set forth in subsections 2 and 3 of NAC 704.9492 and~~ be limited to those rates proposed by the utility pursuant to subsection ~~5~~ 4 of NAC 704.9492.

4. If required, the Commission will hold a hearing on the estimated rates for long-term avoided cost within 90 days after the utility files the estimated rates for long-term avoided cost

pursuant to subsection 2. If a hearing is held, the Commission will issue an order on the matter within 45 days after the conclusion of the hearing.

5. Within 30 days after the date on which the Commission issues an order pursuant to subsection 4, the utility shall solicit proposals to provide the utility capacity or energy, or both, in a manner that complies with the methodology for estimating long-term avoided cost approved by the Commission.

6. Within 90 days after issuing a solicitation of proposals pursuant to subsection 5, the utility shall file with the Commission a report concerning the results of the solicitation.

7. The utility's rate for long-term avoided cost for each block must be the estimated rate for long-term avoided cost established pursuant to this section or the competitive rate solicited pursuant to subsection 5, whichever is lower.